

ITEL

October 5, 1987

IteI Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

Hon. Noretta R. McGee
Secretary

Interstate Commerce Commission
Washington, DC 20423

RECORDATION NO. 8838-2 Filed 1426

OCT 9 1987 -10 22 AM

INTERSTATE COMMERCE COMMISSION

Re: Amendment No. I dated September 21, 1987, to the Lease Agreement dated April 29, 1977, between SSI Rail Corp. and The Corinth and Counce Railroad Company

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$10 recordation fee.

Please record this Amendment under the Lease Agreement dated April 29, 1977, between SSI Rail Corp. and The Corinth and Counce Railroad Company, which was filed with the ICC on May 27, 1977, under Recordation No. 8838.

The parties to the aforementioned instrument are listed below:

IteI Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

The Corinth and Counce Railroad Company (Lessee)
P.O. Box 128, Highway 57
Counce, Tennessee 38326

This Amendment (i) adds to the Lease Agreement one hundred (100) 50', 70-ton, XP boxcars bearing reporting marks CCR 6906-7005; and (ii) provides the Lessor with the option to deliver an additional fifty (50) 50', 70-ton, XP boxcars bearing reporting marks CCR 7006-7055 upon prior written notice to Lessee.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Department

:ps
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

10/9/87

Patricia Schumacker
Legal Department
Itel Rail Corporation
55 Francisco Street
San Francisco, Calif. 94133

Dear Ms. Schumacker:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/9/87 at 10:30am, and assigned recordation number(s) . 8838-U, 9460-L, 9703-I, 14029-M

Sincerely yours,

Norata R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

09/02/87

OCT 9 1987 -10 20 AM

INTERSTATE COMMERCE COMMISSION

AMENDMENT I

AMENDMENT I (the "Amendment") to that certain Lease Agreement, dated as of April 29, 1977, as amended, (the "Agreement") between SSI RAIL CORP. and THE CORINTH AND COUNCE RAILROAD COMPANY ("Lessee") is made this 21st day of September, 1987, by and between ITIL RAIL CORPORATION, as successor in interest to SSI Rail Corp. ("Lessor"), and Lessee.

R E C I T A L S:

- A. Lessor and Lessee are parties to the Agreement pursuant to which nine hundred (900) boxcars bearing reporting marks from within the series CCR 6000-6905 (together with the boxcars listed on the Equipment Schedule attached hereto, the "Boxcars") have been leased to Lessee by Lessor.
- B. Lessor and Lessee desire to add to the Agreement not less than one hundred (100) but not more than one hundred fifty (150) Boxcars having the mechanical designation "XP" and bearing the reporting marks CCR 6906-7055.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree to amend the Agreement as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in this Amendment.
2. This Amendment shall become effective upon its full execution.
3. Equipment Schedules No. 10.A. and No. 10.B. attached hereto, are added to the Agreement in their entirety provided that Lessor, at its sole option, may elect whether or not to deliver to Lessee all or a portion of the Boxcars listed on Equipment Schedule No. 10.B. by providing prior written notice to Lessee.
4. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, Subsection 2.A. of the Agreement shall be deleted in its entirety and shall be replaced by the following:

"2. Term

- A. The term of the Agreement with respect to each Boxcar described on Equipment

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITIL RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

Schedules No. 10.A. and No. 10.B. shall commence at noon on the date and at the location that such Boxcar is remarked pursuant to Subsection 3.A. hereinbelow, and shall expire as to all the Boxcars described on each Equipment Schedule on September 11, 1994."

5. Subsection 3.A. of the Agreement as amended by Amendment G dated November 25, 1986 ("Amendment" G"), to the Agreement, shall apply to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. as well as to the Boxcars set forth on Equipment Schedules No. 8 and No. 9, except that, with respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, the words "at Lessor's expense" in the second sentence of such Subsection 3.A. are hereby deleted and replaced by the words "at Lessor's initial expense and subject to the recovery of such expense as provided in Subsection 6.B., remove any logos that do not belong to Lessee and ..." and the words "12:01 a.m." in the third sentence are deleted and replaced by the words "12 noon".
6. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, Subsection 3.D. of the Agreement is hereby deleted in its entirety and replaced by the following:

"3.D. During the term of this Agreement, Lessor may, at its option and expense, replace any or all of the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. upon prior written notice from Lessor to Lessee. Only in the event that the replacement boxcars are excluded under the ICC's decision in ICC Ex Parte No. 346, Sub-No. 19 served September 12, 1986 ('ICC Decision') and with respect to such replacement boxcars only, the words 'Revenues are less than the applicable Base Rental' in the first sentence of Subsection 6.E. of the Agreement, as amended by Amendment D dated May 4, 1984, to the Agreement shall be deleted and replaced by the words 'Revenues are less than the amount such Boxcars would have earned in the aggregate at the rates set forth for such Boxcars in the Appendix to such ICC Decision, paragraph (c)(3) of 49 C.F.R. 1039.14. with a Utilization Rate of _____, and had each Boxcar travelled eighty-five miles per day (85 mpd).'"

7. Lessee shall, at its expense, establish an assignment pool for the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. under The Association of American Railroads Car Service Directive 170.

8. With respect to the Boxcars bearing the reporting marks from within the series CCR 6000-6049, CCR 6390-6499 and CCR 6650-6802 only, the last sentence of Subsection 5.C. of the Agreement is deleted and replaced by the following:

"All insurance shall be taken out in the name of Lessee and shall name Lessor, Heller Financial, Inc., and any assignee of Lessor and of Heller Financial, Inc., as their interests may appear."

9. The words "earned and due from other railroad companies for the use or handling of the Boxcars" in the first sentence of Subsection 6.A.(i) of the Agreement as amended by Amendment D dated May 4, 1984 ("Amendment D") are deleted and replaced by "earned and due from railroad companies for the use or handling of the Boxcars while such Boxcars are off the railroad lines owned and operated by Lessee as of the commencement date of this Agreement (the 'Eligible Lines')".
10. Section 6 of the Agreement as amended by Amendment D shall apply to the Boxcars set forth on Equipment Schedules No. 6 and No. 7, as well as on Equipment Schedules No. 10.A. and No. 10.B., except that, with respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, such Section 6, as amended, shall be further modified hereinbelow.
11. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, Subsection 6.A.(iii), as amended by Amendment D, is deleted in its entirety and replaced by the following:

"6.A.(iii) The 'Base Rental', with respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, shall be defined as a sum equal to the Revenues which such Boxcars would have earned in the aggregate at a Utilization Rate of and if such Boxcars in the aggregate, had travelled an average of eighty-five (85) miles per Boxcar per day."

12. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, the following sentences are added to Subsection 6.B. of the Agreement as amended by Amendment D:

"Each Boxcar delivered pursuant to Subsection 3.A. shall become subject to the rental calculation under Subsection 6.C. upon the Initial Loading of such Boxcar, provided, however, that Lessor shall receive and retain all Revenues earned in excess of the Base Rental until such excess Revenues have equalled Lessor's out-of-pocket expenses for the remarking and the delivery of the Boxcars to Lessee."

13. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, Subsection 6.C.(ii) of the Agreement, as amended by Amendment D, is deleted and replaced by the following:

"6.C.(ii) In the event in any calendar year or applicable portion thereof, the Boxcars earn Revenues at a Utilization Rate

greater than

, Lessor shall retain an amount equal to the Base Rental and Lessee shall receive

14. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, a new Subsection 6.C.(iii) is added to the Agreement as amended by Amendment D, as follows:

"6.C.(iii) In the event in any calendar year or applicable portion thereof, the Boxcars earn Revenues at a Utilization Rate greater than , Lessor shall retain an amount equal to the Base Rental, and Lessee shall receive Lessee's Revenue Share. In addition, Lessor shall retain and Lessee shall receive an amount equal to each of the Revenues in excess of the Base Rental and Lessee's Revenue Share taken together."

15. With respect to the Boxcars set forth on Equipment Schedules No. 10.A. and No. 10.B. only, and subject to the provision of Section 16 hereinbelow, the words "Revenues are less than the applicable Base Rental" in the first sentence of Subsection 6.E., as amended by Amendment D, are deleted and replaced by the words "Revenues are less than per Boxcar for the Boxcars in the aggregate."


16. Only in the event that the Boxcars set forth on Equipment Schedule No. 10.B. are excluded under the ICC's decision in ICC Ex Parte No. 346, Sub-No. 19 served September 12, 1986 ("ICC Decision") and with respect to such Boxcars on Equipment Schedule No. 10.B. only, the words "Revenues are less than the applicable Base Rental" in the first sentence of Subsection 6.E. of the Agreement, as amended by Amendment D, shall be deleted and replaced by the words "Revenues are less than the amount such Boxcars would have earned in the aggregate at the rates set forth for such Boxcars in the Appendix to such ICC Decision, paragraph (c)(3) of 49 C.F.R. 1039.14., with a Utilization Rate of) and had each Boxcar travelled eighty-five miles per day (85 mpd)."

17. Subsection 6.F. of the Agreement as amended by Amendment A executed on May 9, 1977, Subsection 6.H. of the Agreement as amended by Amendment C dated March 15, 1982, Section 10 of Amendment F dated August 7, 1986, and Section 11 of Amendment G dated November 25, 1986, to the Agreement, are deleted and each replaced by the following:

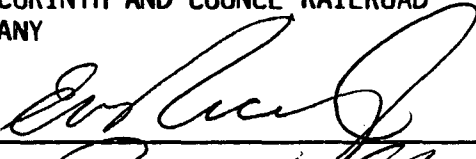
"In the event more than two hundred (200) Boxcars bearing the reporting marks from within the series CCR 6000-6699 are on Lessee's railroad tracks at any one time and Lessee is physically unable to store in excess of two hundred (200) Boxcars, Lessor shall reimburse Lessee for all costs related to the temporary storage of any excess Boxcar provided such excess Boxcar bears reporting marks from within the series CCR 6000-6649."

18. Except as expressly modified by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.
19. This Amendment may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

By: 
Title: President
Date: 9/21/87

THE CORINTH AND COUNCE RAILROAD
COMPANY

By: 
Title: Pres / Gen
Date: 9-9-87

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 21st day of September, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of ITEL Rail Corporation, that the foregoing Amendment I was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Tennessee)
) ss:
COUNTY OF Hardin)

On this 9th day of September, 1987, before me personally appeared E. W. Rice, Jr., to me personally known, who being by me duly sworn says that such person is President General Manager of The Corinth and Counce Railroad Company, that the foregoing Amendment I was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sherry House
Notary Public



EQUIPMENT SCHEDULE NO. 10.A.

Itel Rail Corporation hereby leases the following Boxcars to The Corinth and Counce Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 29, 1977, as amended.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XP	50', 70-Ton, Boxcars Nailable Steel Floor	CCR 6906-7005	50'6"	9'6"	10'7"	10' Sliding	100

ITEL RAIL CORPORATION

By: *DP Hayes*

Title: *President*

Date: *9/21/87*

THE CORINTH AND COUNCE RAILROAD COMPANY

By: *Pro/Gen*

Title: *Pro/Gen*

Date: *9-9-87*

EQUIPMENT SCHEDULE NO. 10.B.

Itel Rail Corporation hereby leases the following Boxcars to The Corinth and Counce Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 29, 1977, as amended.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XP	50', 70-Ton, Boxcars	CCR 7006-7055	50'6"	9'6"	10'7"	10' Sliding	50

ITEL RAIL CORPORATION

By: *[Signature]*

Title: *President*

Date: *9/21/87*

THE CORINTH AND COUNCE RAILROAD COMPANY

By: *[Signature]*

Title: *Pres / Gen*

Date: *9-9-87*